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C O N F I D E N T I A L SECTION 01 OF 03 NEW DELHI 000757

SIPDIS

E.O. 12958: DECL: 01/30/2015

TAGS: PREL PGOV IN CH SUBJECT: STRATEGIC DIALOGUE WITH CHINA JUST THE BEGINNING,

BUT "GAP IS STILL WIDE" ON BOUNDARY ISSUES

REF: NEW DELHI 719

Classified By: PolCouns Geoff Pyatt, for Reasons 1.4 (B, D).

(C) Summary: "If China had proposed a strategic dialogue a few years ago, we would have been wary," MEA Joint Secretary (East Asia) told PolCouns and Poloff on January 31,

#### SIPDIS

adding that the PRC now seems willing to engage with India on issues of global importance. Echoing Foreign Secretary Saran's comments (reftel), Kantha described the recent India-China meetings as upbeat but relatively weak on substance. He reported that Beijing offered private support for India's Security Council bid, and that the countries discussed Iraq, Afghanistan, Pakistan, Iran, North Korea, Taiwan. More sensitive topics, including Burma, Nepal and Central Asia, were not addressed. Despite the positive atmospherics ahead of Wen Jiabao's expected March visit, Kantha said "the gap is still wide" on the boundary issue, a matter India is not prepared to let go unresolved. He reiterated Indian interest in an invitation to the East Asia Summit, providing there is consensus within ASEAN. End Summary.

Willing to Engage

- $\P 2$ . (C) On January 31, following up our previous discussions with the MEA on the India-China strategic dialogue (reftel), MEA Joint Secretary (East Asia) Ashok Kantha briefed PolCouns and Poloff, remarking that "if China had proposed a strategic dialogue a few years ago, we would have been wary."

  Underlining the improving ties between New Delhi and Beijing, Kantha said that although the PRC had previously wanted to confine India to South Asia, "now China seems eager to discuss bigger issues with us." Kantha attributed this change to Beijing's desire that India-US relations not become "warmer than necessary" and commented that the Chinese want something more than the current officially recorded "cooperative, constructive relationship." While India has no objections to simply re-labelling the relationship, "it should not lead to obligations," he said.
- 13. (C) Kantha was impressed by the upbeat tone of the meetings, telling PolCouns that Vice Foreign Minister Wu Dawei made an effort to highlight the positive aspects of India-China ties during his discussions with Foreign Secretary Saran. It was also useful to understand those

#### STPDTS

issues where Beijing and New Delhi do not agree, he remarked. Calling the talks the beginning of a process, Kantha expressed the hope that at later discussions would be more substantive.

UN Security Council

(C) According to Kantha, China privately supports India's candidature for membership on an expanded Security Council. Publicly, the PRC is not willing to go beyond "expressing understanding" for India's bid for a Security Council seat and indicating support for India to play a more important role in international affairs.

Global Review

- (C) According to Kantha, Dawei was upbeat on Afghanistan, describing the election of President Karzai as a positive step. However, Dawei went on to describe US actions in Iraq and Afghanistan as "the biggest tragedy of our times," complaining that the US had overthrown two regimes (the Taliban and the Saddam Hussein regime) that it had created (sic). Kantha found this part of the Chinese presentation overdrawn.
- (C) Kantha described Dawei as upbeat on the US approach to Iran, telling Saran that the US seemed to favor a "Libya-type solution" and that there was a good possibility of a "soft landing" there. Dawei also provided a readout on North Korea, arguing that six-party talks should resume.
- 17. (C) Although India raised the AQ Khan proliferation

network as a matter of concern, Kantha commented that China was not prepared to engage substantively on the subject of Pakistan's nuclear program, despite underlining general concerns about non-proliferation.

### Boundary Talks

(C) Asked about the status of the boundary discussions, Kantha emphasized that the GOI was not willing to defer resolution of the boundary question indefinitely.
Working-level discussions on the boundary dispute would working-level discussions on the boundary dispute would continue, he said, but larger issues would have to wait until India appoints another Special Representative to replace the late NSA JN Dixit. Noting that "the gap that separates us is still wide," Kantha emphasized that both sides must make tough decisions. From New Delhi's perspective, territorial concessions in the Eastern sector is "out of the question, a non-starter," and even concessions in the Western sector and even concessions in the Western sector would be difficult. He argued that China should accept the territorial status-quo in furtherance of their broader bilateral agenda.

# Regional Organizations

- (C) According to Kantha, despite Beijing's interest in SAARC, Chinese involvement there would be premature because "SAARC needs to get its act together." China's involvement could detract from the core issues, he added.
- (C) Asked about the East Asia Summit, Kantha described two schools of thought within ASEAN regarding India's participation there. While some would like to see a 10 3 arrangement, with ASEAN nations plus Japan, China and South Korea, others argue that this would be no different from ASEAN plus three. Beijing has argued that ASEAN should take the lead in the East Asia Summit, he said, but remarked that China has offered to host the second Summit before participants had even decided whether to have another Summit, a move which "makes us nervous." He reiterated Indian interest in an invitation to the East Asia Summit, providing there is consensus within ASEAN.
- (C) Kantha reported that China was "warming up" to the idea of an India-Russia-China trilateral meeting, but emphasized that "relations with the US are so important, we do not want a trilateral dialogue to become a group. Discussion would focus instead on economic issues, he stated. He suggested that the Russians were still the strongest advocate of this trilateral forum.

## Taiwan

(C) China raised the issue of Taiwan and briefed India on Taiwan's "secessionist legislation." Kantha noted that Dawei had raised the issue in a "pro forma" manner, suggesting that Beijing accepts India's "low-key" approach to the issue. Our interests in Taiwan are economic, he underlined.

# Comment and Action Request

(C) Kantha repeatedly stressed the convergence of US and Indian interests with respect to China and underlined the need to expand the US-India regional dialogue to include the PRC. He also reiterated Indian requests for EAP officials at the DAS level or above to come to  $\tilde{\text{New}}$  Delhi for discussions on our interests and concerns related to China. MIILFORD